



**Almirall**

Solutions with you in mind

FY 2011  
Financial Results  
and Business update

*February 27th, 2012*

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# 2011 in review

*Eduardo Sanchiz, CEO*



# Highlights 2011

## Results in line with guidance

### Pipeline progress

- Two major filings (aclidinium, linaclotide) advancing well
- Acclidinium + formoterol and Sativex<sup>®</sup> (onco pain) in Phase III
- MABA to commence phase I shortly

### Business development achievements

- Acclidinium partnered in Japan
- Ebastine licensed-out in China and Southeast Asia
- Roflumilast (Spain), scitalopram (Italy)

### Continued cost focus

- Gross margin improved in a challenging environment
- SG&A declined 6,4% vs 2010
- Plant concentration completed. Toll manufacturing business closed

### New products

- Launch of Sativex<sup>®</sup> (MS Spasticity) and Actikerall<sup>®</sup>
- 6 recent launches contributed to nearly €50 MM in 2011 Sales

## Positive momentum in 2012

- ✓ Acridinium partnering progressing well in Europe
- ✓ Regulatory process ongoing for acridinium and linaclotide
- ✓ Acridinium outlicensed in Korea
- ✓ 2nd MRP wave of Sativex<sup>®</sup> in EU
- ✓ Xarelto<sup>®</sup> co-promotion in Spain

# Financial Results 2011

*Daniel Martinez, CFO*



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# FY 2011 Financial Results Summary

- Results in line with guidance
- Gross margin improvement (+20 bps) in a harsh environment
- Continued cost discipline (SG&A -6,4%)
- Solid balance sheet (Equity represents 58%)
- Debt neutral
- Healthy free cash flow generation
- Dividend proposal of €0,18\* per share. Opportunity to take cash or shares

# Income Statement

€rounded million	YTD Dec 2011	YTD Dec 2010	% Var
<b>Net Sales</b>	<b>768,4</b>	<b>882,4</b>	<b>(12,9%)</b>
<b>Gross Profit</b>	<b>477,3</b>	<b>546,2</b>	<b>(12,6%)</b>
<i>% of sales</i>	62,1%	61,9%	
<b>Other Income</b>	<b>104,7</b>	<b>119,7</b>	<b>(12,5%)</b>
<b>R&amp;D</b>	<b>(144,5)</b>	<b>(144,9)</b>	<b>(0,3%)</b>
<i>% of sales</i>	(18,8%)	(16,4%)	
<b>SG&amp;A</b>	<b>(340,4)</b>	<b>(363,5)</b>	<b>(6,4%)</b>
<i>% of sales</i>	(44,3%)	(41,2%)	
<b>Other Op. Exp</b>	<b>(0,2)</b>	<b>(3,1)</b>	<b>(93,5%)</b>
<i>% of sales</i>	(0,0%)	(0,4%)	
<b>EBIT</b>	<b>96,9</b>	<b>154,4</b>	<b>(37,2%)</b>
<i>% of sales</i>	12,6%	17,5%	
<b>Depreciation</b>	<b>63,2</b>	<b>61,9</b>	<b>2,1%</b>
<i>% of sales</i>	8,2%	7,0%	
<b>EBITDA</b>	<b>160,1</b>	<b>216,3</b>	<b>(26,0%)</b>
<i>% of sales</i>	20,8%	24,5%	
Sale of noncurrent assets / Other	(2,7)	(0,5)	<i>n.m.</i>
Restructuring costs	(9,9)	(11,6)	(14,7%)
Impairment reversals / (losses)	(7,0)	(14,0)	(50,0%)
Net financial income / (expenses)	(5,3)	(9,1)	(41,8%)
Corporate income tax	12,2	(0,6)	<i>n.m.</i>
<b>Net income</b>	<b>84,2</b>	<b>118,6</b>	<b>(29,0%)</b>
<b>Normalized Net Income</b>	<b>97,9</b>	<b>136,7</b>	<b>(28,4%)</b>
Earnings per share (€) <sup>(1)</sup>	0,51 €	0,71 €	
Normalized Earnings per share (€) <sup>(1)</sup>	0,59 €	0,82 €	
Nº of employees end of period	2.765	2.831	(2,3%)

(1) Number of shares at the end of the period

- Gross margin improved in a challenging environment
- Continued cost discipline
- In line with guidance

# Balance Sheet

€rounded million	December 2011	% of BS	December 2010
Goodwill	271,1	18,6%	271,9
Intangible assets	353,1	24,2%	382,8
Property, plant and equipment	152,1	10,4%	154,8
Financial assets	8,5	0,6%	10,2
Other non current assets	213,1	14,6%	189,0
<b>Total Non Current Assets</b>	<b>997,9</b>	<b>68,5%</b>	<b>1.008,7</b>
Inventories	93,2	6,4%	87,9
Accounts receivables	106,0	7,3%	103,8
Cash & equivalents	228,9	15,7%	312,9
Other current assets	30,6	2,1%	23,4
<b>Total Current Assets</b>	<b>458,7</b>	<b>31,5%</b>	<b>528,0</b>
<b>Total Assets</b>	<b>1.456,6</b>		<b>1.536,7</b>
Shareholders equity	854,7	58,7%	819,3
Financial debt	202,2	13,9%	297,5
Non current liabilities	188,3	12,9%	206,8
Current liabilities	211,4	14,5%	213,1
<b>Total Equity and Liabilities</b>	<b>1.456,6</b>		<b>1.536,7</b>

Net Debt as of 31  
December 2011:

**€14,6 MM \***

x 0,09 EBITDA 2011

\* **Net Debt** = € 202,2 MM Financial Debt – € 228,9 MM Cash and Equivalents + € 41,3 MM Pension Liabilities

# Cash Flow

€rounded million	YTD Dec 2011	YTD Dec 2010
<b>Profit Before Tax</b>	<b>72,0</b>	<b>119,2</b>
Depreciation and amortisation	63,2	61,9
Change in working capital	(6,6)	21,8
Other adjustments	(28,5)	(28,3)
<b>Cash Flow from Operating Activities (I)</b>	<b>100,1</b>	<b>174,6</b>
Financial Income	8,5	4,3
Investments	(38,5)	(93,0)
Divestments	2,7	0,9
Other cash flows	0,0	2,8
<b>Cash Flow from Investing Activities (II)</b>	<b>(27,3)</b>	<b>(85,0)</b>
Finance Expense	(14,7)	(16,9)
Dividends distribution	(47,4)	(55,1)
Debt increase/ (decrease)	(90,4)	36,5
Other cash flows	(4,3)	(0,8)
<b>Cash Flow from Financing Activities</b>	<b>(156,8)</b>	<b>(36,3)</b>
<b>Cash Flow generated during the period</b>	<b>(84,0)</b>	<b>53,3</b>
<b>Free Cash Flow (III) = (I) + (II)</b>	<b>72,8</b>	<b>89,6</b>

Steady Free  
Cash Flow  
generation

# Pipeline & Regulatory Update

*Bertil Lindmark, CSO*



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# Regulatory Update

## Acridinium bromide

- Monotherapy submitted in 2011 for approval in US and EU.
- US :
  - Positive FDA AdCom voting on Feb 23<sup>rd</sup>
  - PDUFA in Q2'12
- EU : 120-days completed

## Linacotide

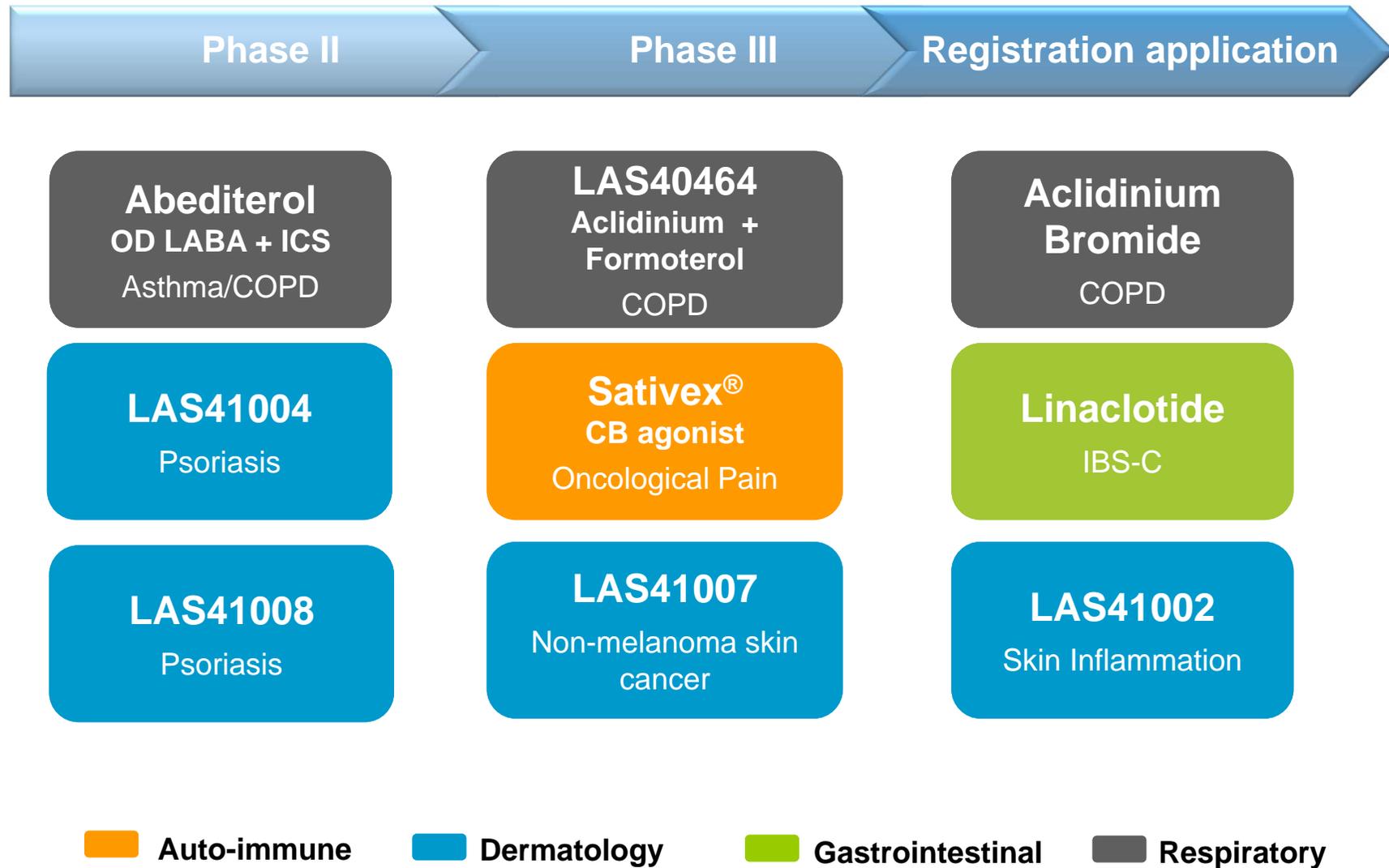
- Submitted for approval in 2011 for IBS-C in Europe
- First-in-class treatment with unique efficacy and safety profile
- No IBS-C product approved by EMA so far
- 120-days response received

# Acclidinium AdCom FDA Voting

Questions	AdCom Voting
1	Do the efficacy data provide substantial evidence of a clinically meaningful benefit for acclidinium 400 mcg twice daily in the maintenance treatment of bronchospasm associated with Chronic Obstructive Pulmonary Disease (COPD) ?  14 to 0 in favor
2	Has the safety of acclidinium been adequately assessed for the proposed indication ?  10 to 3 in favor (1 abstention)
3	Do the efficacy and safety data provide substantial evidence to support approval of acclidinium 400 mcg twice daily for the maintenance treatment of bronchospasm associated with COPD ?  12 to 2 in favor

# A pipeline with significant upside

Preclinical and phase I projects not included



# Platforms of growth

*Luciano Conde, COO*



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## Acclidinium differentiation vs existing therapies

- Maximum efficacy from the 1st day of treatment and sustained over time
- *Round-the-clock* symptom control; early morning, day and night
- Superior bronchodilation during nighttime compared to tiotropium
- Clinically relevant improvements in quality of life and less use of rescue medication
- Reduction in exacerbations rate and improvement in exercise tolerance
- Well tolerated, low incidence of anticholinergic side effects (similar to placebo)
- Novel multi-dose, patient preferred, easy-to-use inhaler

# Linaclootide

First-in-class opportunity

- Novel first-in-class compound for the treatment of IBS-C
- Once-a-day oral capsule
- Acts locally in the GI tract and is minimally absorbed
- Clinical studies involving nearly 1,600 patients with IBS-C have demonstrated sustained efficacy and a clean safety profile
- No IBS-C product approved by EMA so far
- Submitted for approval in 2011 for IBS-C in Europe
- Almirall holds commercial Pan-European rights

## Additional growth platforms

### Sativex®

- Launched by Almirall in three European countries in 2011
- Four additional launches planned in 2012
- Phase III ongoing in oncological pain

### Dermatology franchise

- Leading derma player in Europe
- Key franchise that represents 15% of total sales
- Late stage derma pipeline progressing :
  - Skin inflammation
  - Non-melanoma skin cancer
  - Psoriasis

### Launched by Almirall

Germany

Spain

Denmark

### New launches planned in 2012

Sweden

Italy

Austria

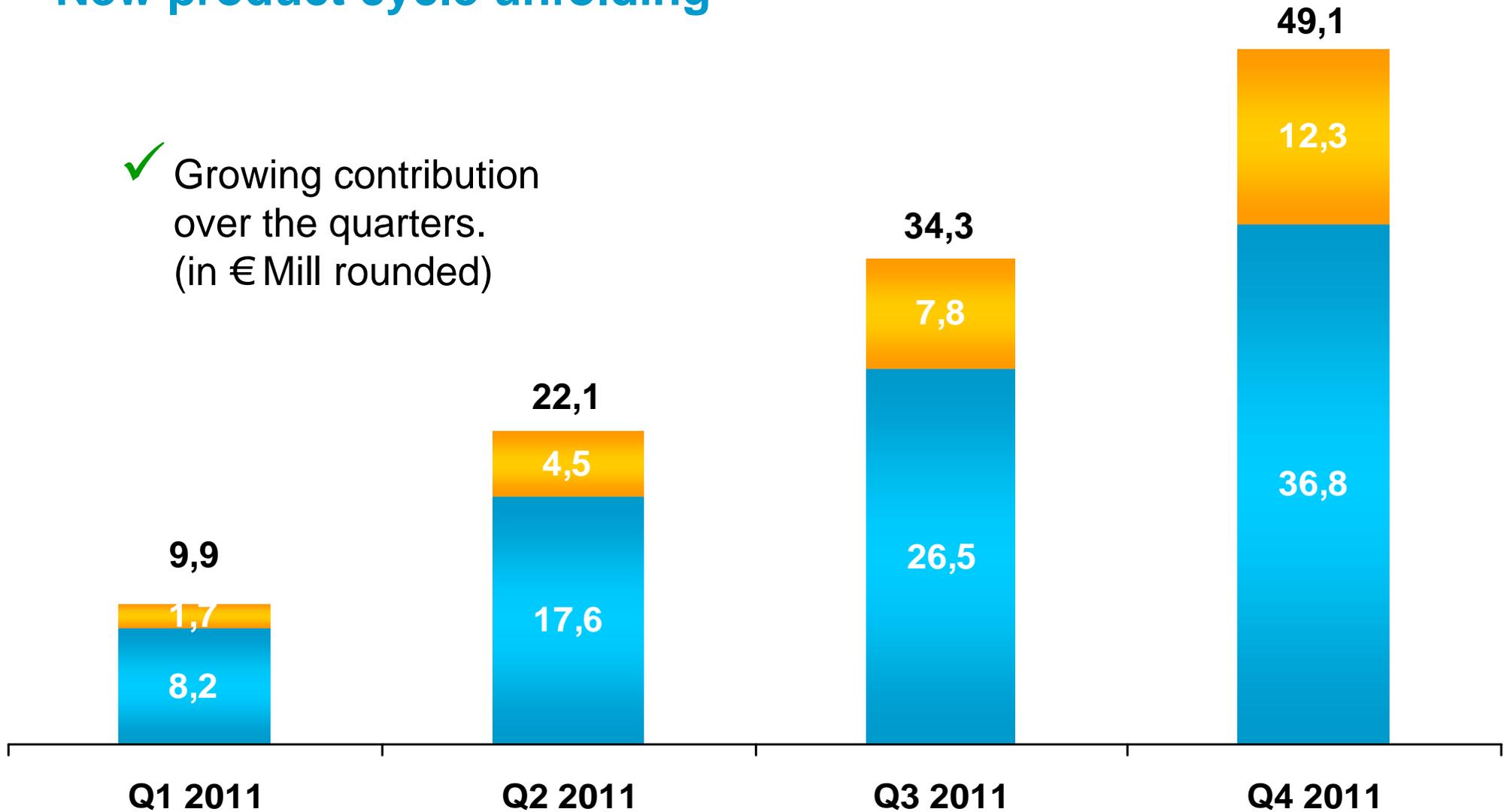
Czech Republic

### 2nd MRP Wave moving forward

Regulatory  
submission in 10  
additional  
European  
countries

# New product cycle unfolding

✓ Growing contribution over the quarters.  
(in € Mill rounded)



■ Tesavel + Efficib   ■ Actikerall + Sativex + Silodyx + Toctino

# 2012 and beyond

*Eduardo Sanchiz, CEO*



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## Guidance 2012-14

Barring unforeseen circumstances

	2012	2013	2014
Sales (€MM)	Similar trends to 2011	Revenues to accelerate sharply	
Normalized Net Income (€MM)	Lower decline than in 2011	Lag effect on profitability	Profit growth

## Mid term takeaways

- International growth : strategic priority
- International sales > 70% of total by 2014
- Double digit Sales CAGR 2012-14

## Wrap-up and outlook 2012

- ✓ Acridinium partnering progressing well in Europe
- ✓ Regulatory process ongoing for acridinium and linaclootide
- ✓ Acridinium outlicensed in Korea
- ✓ 2nd MRP wave of Sativex<sup>®</sup> in EU
- ✓ Xarelto<sup>®</sup> co-promotion in Spain

### 2012 Catalysts

- Acridinium EU partnership
- PDUFA in Q2
- EU regulatory feedback for acridinium and linaclootide

# Appendixes

## Q4 vs Q4

€rounded million	2011 4Q	2010 4Q	% Var
<b>Net Sales</b>	<b>176,5</b>	<b>205,9</b>	<b>(14,3%)</b>
<b>Gross Profit</b>	<b>106,3</b>	<b>129,2</b>	<b>(17,7%)</b>
<i>% of sales</i>	<i>60,2%</i>	<i>62,7%</i>	
<b>Other Income</b>	<b>28,1</b>	<b>30,0</b>	<b>(6,3%)</b>
<b>R&amp;D</b>	<b>(47,2)</b>	<b>(42,5)</b>	<b>11,1%</b>
<i>% of sales</i>	<i>(26,7%)</i>	<i>(20,6%)</i>	
<b>SG&amp;A</b>	<b>(90,4)</b>	<b>(104,5)</b>	<b>(13,5%)</b>
<i>% of sales</i>	<i>(51,2%)</i>	<i>(50,8%)</i>	
<b>Other Op. Exp</b>	<b>(1,0)</b>	<b>(4,6)</b>	<b>(78,3%)</b>
<i>% of sales</i>	<i>(0,6%)</i>	<i>(2,2%)</i>	
<b>EBIT</b>	<b>(4,2)</b>	<b>7,6</b>	<b>(155,3%)</b>
<i>% of sales</i>	<i>(2,4%)</i>	<i>3,7%</i>	
<b>Depreciation</b>	<b>16,3</b>	<b>15,9</b>	<b>2,5%</b>
<i>% of sales</i>	<i>9,2%</i>	<i>7,7%</i>	
<b>EBITDA</b>	<b>12,1</b>	<b>23,5</b>	<b>(48,5%)</b>
<i>% of sales</i>	<i>6,9%</i>	<i>11,4%</i>	
Sale of noncurrent assets / Other	(3,7)	(0,5)	<i>n.m.</i>
Reestructuring costs	(9,9)	(11,6)	(14,7%)
Impairment reversals / (losses)	0,0	(13,0)	(100,0%)
Net financial income / (expenses)	(1,6)	0,3	<i>n.m.</i>
Tax	14,8	14,8	0,0%
<b>Net income</b>	<b>(4,6)</b>	<b>(2,4)</b>	<b>91,7%</b>
<b>Normalized Net Income</b>	<b>4,2</b>	<b>14,8</b>	<b>(71,6%)</b>

## Zoom in – Other Income

Includes Actonel<sup>®</sup>, Conbriza<sup>®</sup>, Libertek<sup>®</sup> (roflumilast) and Cipralex<sup>®</sup> (escitalopram)

€rounded million	YTD Dec 2011	YTD Dec 2010	% Var
Revenues under co-promotion agreements	10,9	21,5	(49,1%)
Collaboration in product promotion	18,4	24,6	(25,1%)
Revenues under co-development agreements	68,0	65,8	3,4%
Other	7,2	7,7	(1,4%)
<b>Total</b>	<b>104,7</b>	<b>119,7</b>	<b>(12,5%)</b>

Includes:  
 € 44,9 MM of co-development revenues  
 € 23,1 MM linked to upfront and milestones payments

## Sales by Region

€rounded million	YTD Dec 2011	YTD Dec 2010	% var vs LY
Spain	388,0	495,3	(21,7%)
Europe & Middle East	291,0	288,7	0,8%
America, Africa & Asia Pacific	72,9	70,5	3,4%
Corporate	16,4	27,9	(41,1%)
<b>Total</b>	<b>768,4</b>	<b>882,4</b>	<b>(12,9%)</b>

# Breakdown of the core business

- Proprietary products
- In-licensing products

€rounded million		YTD Dec 2011	YTDDec 2010	% Var YTD	Presence	
					Spain	Intl.
Ebastel <sup>®</sup> and others (ebastine)	●	116,2	117,5	(1,1%)	✓	✓
Plusvent <sup>®</sup> (salmeterol & fluticasone)	●	54,3	57,0	(4,9%)	✓	
Almogran <sup>®</sup> and others (almotriptan)	●	49,7	48,2	3,1%	✓	✓
Parapres <sup>®</sup> (candesartan cilexetile)	●	47,9	45,5	5,2%	✓	
Tesavel <sup>®</sup> (sitagliptine) + Efficib <sup>®</sup> (sitagliptine+metformine)	●	36,8	24,6	49,6%	✓	
Airtal <sup>®</sup> and others (aceclofenac)	●	30,8	39,1	(21,2%)	✓	✓
Esertia <sup>®</sup> (scitalopram)	●	30,6	61,3	(50,1%)	✓	
Prevenor <sup>®</sup> (atorvastatin)	●	30,5	72,9	(58,2%)	✓	
Solaraze <sup>®</sup> (sodium diclofenac)	●	26,6	24,7	7,7%	✓	✓
Opiren <sup>®</sup> (lansoprazole)	●	21,9	32,9	(33,3%)	✓	
Almax <sup>®</sup> (almagate)	●	19,4	22,8	(14,6%)	✓	✓
Decoderm <sup>®</sup> and others (flupredniden)	●	18,0	17,5	3,1%		✓
Balneum <sup>®</sup> (urea)	●	17,8	18,6	(4,0%)	✓	✓
Pantopan <sup>®</sup> (pantoprazole)	●	17,7	18,6	(4,9%)		✓
Cidine <sup>®</sup> and others (cinitapride)	●	14,7	13,8	6,4%	✓	✓
Others	● ●	235,5	267,5	(12,0%)	✓	✓
<b>Total</b>		<b>768,4</b>	<b>882,4</b>	<b>(12,9%)</b>		

## Net Sales breakdown by main Therapeutic Area

€ rounded million	YTD Dec 2011	YTD Dec 2010	% Var
Respiratory	181,1	184,4	(1,8%)
Gastrointestinal and Metabolism	156,3	157,6	(0,8%)
Dermatology	118,2	120,0	(1,5%)
CNS	114,3	157,2	(27,3%)
Cardiovascular	106,2	149,6	(29,0%)
Osteomuscular	53,5	63,6	(15,8%)
Urological	20,2	16,9	19,5%
Other therapeutic specialties	18,6	33,3	(49,0%)
<b>Total Net Sales</b>	<b>768,4</b>	<b>882,4</b>	<b>(12,9%)</b>

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